INDEPENDENT STUDY OF REDEVELOPMENT IN LONG BEACH





Preliminary Report on Options for Governance of Redevelopment

Submitted by:

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1. Introduction

A team of consultants led by Clarion Associates has been retained to perform an Independent Study of Redevelopment in Long Beach. Our team includes:

- <u>Clarion Associates</u> (a national consulting firm, based in Denver, assisting local governments with improvements in community development and redevelopment);
- Waronzof Associates (a real estate analysis firm based in Los Angeles);
- Consensus Planning Group (a community involvement firm based In Los Angeles);
- <u>Donald Nollar</u> (former Director of Planning and Development for Pasadena); and
- Jeannette Launer (former counsel to the Portland Development Commission).

The Independent Study will involve (a) date collection, (b) five case studies of redevelopment projects in Long Beach, (c) comparisons of Long Beach performance with that of other cities, and (d) recommendations for improving redevelopment in Long Beach. The Study is scheduled for completion by May 31, 2005.

The Clarion Team visited Long Beach on December 6-8 to begin the Independent Study. We interviewed six City Council members, all seven members of the Long Beach Redevelopment Agency Board (LBRA), three representatives of Project Area Committees (PACs), one assistant City Attorney, and one business leader. As a result of those interviews, the Team identified several key themes that deserve detailed study through the case studies and comparisons, and that will probably be the subject of detailed recommendations. These include:

- Selection and prioritization of projects;
- Delays in project approval and completion;
- Coordination and communication between the LBRA, City Council, the PACs, and the public; and
- Clarifying the roles of City Council, the LBRA Board, city/LBRA staff, and the PACs in the redevelopment process.

The Clarion Team also suggested that draft and final Independent Study documents be delivered simultaneously to the LBRA Board, City Council, the City Manager, city/LBRA staff, and the PACs for public review in order to speed up the study process and avoid the appearance of bias.

On November 16, 2004, the Long Beach City Council conducted its first hearing to consider whether City Council should also become the Board of the LBRA. The Council requested that the Clarion Team assemble information regarding various forms of governance available to the city. Although this request occurred earlier than it would have been addressed in the Independent Study, we agreed that we would be respond to the best of our ability in the time available. The Clarion Team also clarified that a detailed analysis of which model of governance is best matched to the strengths and weaknesses Long Beach redevelopment could not be completed in the time available, and that we would not be making a recommendation at this early stage. Our response to the City Council's request is set forth below.

Please note that, in addition to the City Council governance structure and the independent board model that were the subject of the November public hearing, California law permits the

creation of a Community Development Commission that combines the functions of a redevelopment agency with that of a housing authority. While not explicitly mentioned in the California Redevelopment Act, some communities (such as San Diego) have formed non-profit Community Development Corporations (CDCs) to carry out redevelopment activities. In essence, a non-profit CDC acts as the contract agent of the city or the redevelopment agency in order to allow for more rapid response to market opportunities and pressures. Both of these alternatives may be viable in Long Beach, but have not been analyzed in depth because of time constraints, and because they were not the primary focus of the November 16 hearing. Since the City Council has already reviewed preliminary research on the forms of governance permitted by the California Redevelopment Act, that background information will not be repeated in this document.

2. Governance of Redevelopment Activities

The Clarion Team has collected information on (a) the forms of governance used by the twenty largest cities in California; (b) the forms of governance used by five other large cities outside California; (c) the experience of eight cities that either have made a change in governance or are considering a change; and (d) the reported advantages and disadvantages of the different forms of governance.

a. Structures Used by the 20 Largest California Cities

Although it is common to group California cities into (i) those that have the City Council serve as the governing board of the redevelopment agency, and (ii) those that have an independent board of directors for the agency, most large cities use a hybrid of these two models. Some hybrids exist because an independent board is given some (but not all) of the governance powers for the agency. Others exist because of different ways of staffing the agency (i.e. using staff from the city, from an independent agency, from a community development commission, or from a non-profit CDC). Finally, in some cities the Mayor participates actively in redevelopment activities and/or chairs the redevelopment agency board, while in other cases the Mayor is completely removed from redevelopment decisions. Table 1 below summarizes the forms of governance in use.

Table 1: Governance Structure of 20 Largest Cities in California				
City (Population)	Governance	Comments		
Los Angeles (3,912,200)	Redevelopment agency has an independent board of directors subject to very strict oversight by City Council.	Following a dispute over a severance agreement for a former redevelopment employee, the City Council adopted an oversight ordinance that requires virtually all significant agency decisions to be approved by City Council.		
San Diego (1,294,000)	Redevelopment agency is a separate entity, but City Council serves as its legislative body. Two non-profit CDCs manage redevelopment in the center city and southeast areas and report to the redevelopment agency. The city agency also manages redevelopment activities outside the	The boards of the Center City Development Corp. (CCDC) and the Southeast Development Corp. (SEDC) conduct planning and redevelopment activities in their respective areas, but require approval of the redevelopment agency for virtually all actions. The Redevelopment Division of City's Community and Economic Development Dept. serves as staff to the agency, CCDC, and SEDC.		

Table 1: Governance Structure of 20 Largest Cities in California				
City	Governance	Comments		
(Population)				
	two non-profit corporation areas. The Mayor is Chair of the agency, and City Manager is Executive Director			
San Jose (926,000)	City Council serves as the board of directors of the redevelopment agency. The Mayor is Chair and votes on redevelopment issues.	The City Manager is not involved in the work of the redevelopment agency. The Chair of the redevelopment agency has equal stature with the City Manager and reports directly to City Council.		
San Francisco (792,700)	Redevelopment agency has an independent board of directors with substantial powers. Board is appointed by Mayor and approved by Board of Supervisors.	The redevelopment commission oversees policy and meets jointly with planning commission to determine if a project should move forward; then goes to the Board of Supervisors for final approval. Complex projects are sometimes managed jointly by staff from Mayor's office and the redevelopment agency.		
Long Beach (487,100)	Redevelopment agency has an independent board of directors appointed by the Mayor and confirmed by City Council.			
Fresno (456,100)	The City Council serves as the board of directors of the redevelopment agency. This is a strong Mayor government in which the Mayor does not serve on the redevelopment agency board and does not vote on agency matters.	Fresno changed from having an independent board of directors to a City Council board in the 1960s. In 1997, the city changed from having the City Manager act as the Executive Director of the agency to having a separate Executive Director hired by the Council. The Fresno Revitalization Corporation advisory board is appointed by Chamber of Commerce.		
Sacramento (441,000)	The City Council serves as the board of directors, and the Mayor serves as Chair. Some powers are delegated to advisory board.	A joint advisory commission made up of six city citizens and five county issues pre-approvals of proposed projects and areas.		
Oakland (411,600)	City Council serves as the board of directors of the redevelopment agency. The Mayor is the chief executive officer of the agency, and does not vote (except as tiebreaker). The Mayor works closely with City Administrator – who is also redevelopment administrator – to implement policy.	All significant proposed actions are reviewed by a four-member Economic Development Committee of City Council before proceeding to consideration by the full Council.		
Santa Ana (349,100)	City Council serves as the board of directors of the redevelopment and housing agency.	An advisory redevelopment and housing commission assists the board with its duties. Each City Council district and the Mayor nominate one member to commission, plus two tenant representatives because of its status as a housing commission. In addition to making recommendations, the commission can authorize contracts up to \$25,000.		
Anaheim (343,000)	City Council serves as the board of directors of the redevelopment and housing agency.	Anaheim may currently be undergoing a transition in its structure of governance, but up to date information was not available within the		

Table 1: Governance Structure of 20 Largest Cities in California				
City	Governance	Comments		
(Population)				
		limited time of this project.		
Bakersfield (279,700)	The redevelopment agency has an independent board of directors appointed by the Mayor and confirmed by City Council.	City Council approves the redevelopment agency budget. Decisions on projects and the use of eminent domain powers are made by the redevelopment agency.		
Riverside (277,000)	City Council serves as the board of directors of the redevelopment agency. The Mayor only votes as a tie-breaker.			
Stockton (269,100)	City Council serves as the board of director of the redevelopment agency. The Mayor is Chair and the City Manager is the Executive Director of the agency.	An advisory redevelopment commission is appointed by City Council to assist the agency with its duties. All proposed decisions go to the commission for review and pre-approval before being sent to City Council.		
Chula Vista (209,100)	City Council serves as the board of directors of the redevelopment agency.	There is no formal advisory board to review proposed actions The city is currently considering a change to this structure.		
Fremont (209,100)	City Council serves as the board of the redevelopment agency, and the agency is part of the Housing and Redevelopment Department.	There is no formal advisory board to review proposed actions, but business associations generally do review them.		
Modesto (206,200)	City Council serves as the board of the redevelopment agency. The City Manager is the Executive Director of the agency.	A citizen's advisory redevelopment commission has been appointed to assist the agency with its duties.		
Glendale (205,300)	City Council serves as the board of the redevelopment agency.	Several commissions and review boards provide input to the City Council depending on the project.		
Huntington Beach (198,800)	City Council serves as the board of directors of the redevelopment agency.	An economic development subcommittee of Council reviews and pre-approves proposed actions before Council consideration.		
San Bernardino (196,300)	City Council serves as the board of directors of the redevelopment agency. The Mayor is Chair and votes on redevelopment matters			
Oxnard (186,100)	City Council serves as the board of directors of the redevelopment agency. The Mayor is Chair and votes on redevelopment matters	Neighborhood councils are active in project participation.		

b. Structures Used by Other Large U.S. Cities

Although California redevelopment agencies are clearly creatures of California law, many of the reasons behind the use of a particular governance structure turn on broader issues that are common to redevelopment agencies in other states. The Clarion Team therefore reviewed a small sample of large cities regarding their governance structures and the reasons behind them. The results of that research are set forth in Table 2.

Table 2: Governance Structure of 5 Large Cities Outside California				
Name (Population)	Governance	Comments		
(Population) Denver, Colorado (555.000)	The redevelopment agency has an independent board of directors	Denver uses a strong Mayor form of government, and the redevelopment agency is generally well-aligned with the Mayor's priorities. No formal citizen review commission exists, but the agency maintains close ties and a collaborative relationship with the non-profit Downtown Denver Partnership.		
Detroit, Michigan (911,000)	The Downtown Development Authority and Economic Development Commission have redevelopment decision-making authorities in different areas of the city. Both are city-organized non-profit CDCs with boards appointed by Mayor, and with staff provided by a third independent non-profit.	The Mayor or the director of the city's planning and Development Department sits on and chairs the EDC or DDA meetings. The structure was created to get decisions separated from politics and to allow non-profits to act faster than the city could.		
Las Vegas, Nevada (478,500)	The City Council serves as the board of the redevelopment agency, and the City Manager is the Executive Director	The city used to have a Center City Development Corp. modeled after San Diego. Six years ago the city contracted out all redevelopment activities to the CCDC, with key decisions subject to City Council approval. Three years ago that practice was ended and the CCDC became an advisory group because the new mayor wanted more control. No formal citizen advisory board exists.		
Nashville, Tennessee (555,000)	The redevelopment agency has an independent board appointed by the Mayor and confirmed by City Council	The redevelopment project areas cover a relatively small area of downtown. In practice, the agency board, 42-member Nashville/Davidson Metro Council, and business organizations work collaboratively on redevelopment issues.		
Portland, Oregon (539,000)	The redevelopment agency has an independent board appointed by the Mayor and confirmed by City Council.	Over time, the city and the agency have developed a very collaborative relationship in which project and financing decisions are often a joint product. Bonds are actually issued by the city, on behalf of the agency (rather than by the agency itself), which reinforces the need for a close working relationship.		

c. Experience in Cities that have Considered Changes in Governance

1. Los Angeles

The Los Angeles Community Redevelopment Agency board of directors made severance payments to a former director and the City Council objected to the terms. In response, Council passed an oversight ordinance about 10 years ago, and almost every significant administrative decision is now subject to City Council approval. Although the board hires its own Executive Director, its choice is subject to City Council approval. Other hiring is not subject to oversight. Because the agency board has so few key powers, the possibility of making City Council the governing

body of the agency is discussed frequently. Some observers feel that the City Council is already in de facto control of the agency and the structure should be changed to reflect that fact. Others believe Council prefers to use the agency board as a filter for proposed projects and because it provides City Council members some protection in the case of controversial or failed projects. As the agency board's powers have been weakened, some believe it has become more difficult to find top quality board members.

2. San Francisco

Periodically, San Francisco's Board of Supervisors questions its independent redevelopment agency and discusses a possible change. Generally, these discussions follow a controversial decision made by the agency. In the past, these periods of discussion have resulted in a strengthening of some aspect of the collaborative working relationship between the city and the agency (generally a decision by the agency to consult with the city more thoroughly before making certain types of decisions) rather than a change to Board of Supervisor governance. One factor in the continuation of the independent board is the fact that the Board of Supervisors must already perform the functions of both a City and County, and concerns that taking on the additional workload of redevelopment decision-making would be difficult.

3. Pasadena

In the late 1970s, the Pasadena redevelopment agency had an independent board of directors. An aggressive Assistant City Manager served as Executive Director of the agency and promoted several projects with heavy use of eminent domain. That eventually provoked intense opposition. City Council finally denied one major project, which highlighted the divergence of direction between the Council and the board. After the Assistant City Manger departed, the City Council decided to become the board of directors of the agency, and the former agency board stayed on as an advisory committee. Some members of the board resigned, while other remained actively involved. Over time, the effectiveness of the advisory committee has eroded. After the change in structure, use of eminent domain fell significantly. The change in governance resulted in the need to better integrate staff positions, which was difficult. City Council is happy with the decision.

4. Bakersfield

In the early 1980s, the Bakersfield City Council served as the board of directors of the redevelopment agency. After a very controversial hotel project in 1981, the City Council appointed an independent board of directors and transferred its redevelopment duties to that body. Council still has authority to approve the agency budget, but the agency is responsible for making decisions regarding the use of eminent domain. Bakersfield now prefers the independent board structure because decisions are less politicized and the board's expertise in real estate and finance has improved the quality of projects. The board and Council structure sometimes requires two hearings instead of one, but the additional effort required is small.

5. San Jose

San Jose has a City Council redevelopment governance structures. Approximately 18 months ago, the City Council reviewed its structure to see if an alternative system would better to meet its needs. They concluded that the current structure was functioning well and resulted in fairly efficient decision-making so long as good internal and external communications are maintained. This requires staff and elected officials to spend lots of time with the public, and the city has been willing to make that commitment.

6. Chula Vista

In Chula Vista the City Council currently serves as the board of the redevelopment agency, but the city is now engaged in a review of possible changes to governance. One proposal is based on the model used by Irvine, which uses a board made up of City Council members plus four outside members in order to draw on expertise not-represented on the City Council. In addition, the City has been considering formation of a 501(c)(3) corporation in order to insert more speed and flexibility into the redevelopment agency operations, and to enable it to respond to market opportunities better.

7. Fresno

When Fresno adopted a strong Mayor form of government in 1997, it also changed how the redevelopment agency was governed. While maintaining a City Council governance structure, it created a new position of Executive Director separate and distinct from the City Manager. This provided additional capacity to deal with the workload of redevelopment projects and acknowledged the difference between the nature of redevelopment work and the other duties of city governance. The city is happy with the change.

8. Las Vegas

The City of Las Vegas, Nevada, has gone through several changes in redevelopment governance over the past decade. The level of activity in their redevelopment agency has been cyclical -- periods of activity have been followed by times of inactivity. When it has been active, some of its decisions have resulted in the issuance too much agency debt or high profile project failures — which then results in a change in governance. Originally, the agency was governed by the City Council, then for a period it was converted into a non-profit CDC reporting to City Council. After a significant project failure, the CDC became an advisory body, and control was returned to city agencies under control of the Council.

3. Comparative Advantages of Different Structures

Discussions with the cities listed above helps identify the advantages and disadvantages of the various forms of governance. Again, however, since many hybrid systems are in use -- i.e. Council governance with a strong advisory board, or an agency board with partial powers. Many of the stated advantages and disadvantages relate to structures that have been crafted to fit the politics or the political history of the city, rather than being a pure form of City Council

governance or independent board governance. With this caveat in mind, the following comparative advantages have been reported.

Since most advantages of one form of governance are raised as disadvantages of others, we have not repeated each item as both an advantage for some and a disadvantage for others. Rather, responses have been organized to highlight comparative advantages. In some cases cities offered insights on weaknesses that could be addressed by an alternative system, and those comments are stated as comments on the advantages of an alternative system.

a. Advantages of an Independent Board

1. <u>De-Politicizing Decision Making</u>

One frequently cited advantage of an independent board is that it provides the agency with the ability to make good, long-term decisions on difficult or controversial projects without facing the same political pressures they would face if they were elected officials. An independent board may be able to initiate or complete difficult-but-necessary projects that could not be initiated by elected officials due to political pressure. Similarly, key decisions (such as the creation of new project areas) come up for City Council approval, it is useful for elected officials to have the opinion of both the citizens and a body with long-term redevelopment experience. One city commented that this buffer seems to have become more important as term-limits tend to increase pressure for short-term decision-making. Some cities reported that, even if an independent board is used, strong opinions by City Council or city management can sometimes result in politicized decision-making. (Comments from Fresno, Portland, Nashville, and Detroit)

2. Specialized Skills of the Board

One of the original rationales behind independent board governance was that it allowed for individuals with expertise in real estate, finance, and design to participate in decision-making about proposed projects. While this is still true, it may be less important than in the past, since some cities use advisory boards to bring the same expertise to the table. Some cities that have changed from an independent board structure to a City Council structure report, however, that it is harder to get top quality professionals to serve on an advisory board than on a decision-making body. Another alternative way to benefit from specialized expertise would be to use the Irvine model where City Council is supplemented by outside members when it sits as the redevelopment agency board. (Comments from Pasadena and Chula Vista)

3. Sharing the Workload

In larger cities, the volume and complexity of project selection and management decisions can require a very significant time commitment. An independent board structure allows some (but not all) of the review and sifting of redevelopment options to be completed by the board rather than City Council. The Council may be able to devote less time to redevelopment project decisions than if it had to complete all of the review and discussion of project details itself. (Comment from San Francisco, San Diego, Denver, and Portland)

4. Recognizing Redevelopment's Unique Needs

The independent board structure recognizes that real estate development is unlike other city functions. It often requires public-private partnerships, deep understanding of changing market conditions, and the ability to move quickly to seize opportunities. In some cities, the business community believes that traditional city government structures do not perform well in those areas, and respond more favorably to an independent board or a non-profit CDC structure. The ability to respond and to contract quickly and outside of standard city procedures was cited particularly often by larger cities. (Comments by San Francisco, San Diego, Portland, and Detroit)

5. Efficiency (?)

Ironically, efficiency is cited as an advantage for independent board governance, City Council governance, and non-profit CDCs. Some cities with independent board governance report that projects promoted and managed by the redevelopment agency are completed faster than comparable projects undertaken from within the city structure. Cities that use City Council governance of the agency tend to point to time savings achieved through a single review and approval process for new projects. To some extent, both may be true. It may be that project approval timelines are faster when there is only one approval body, but that project completion improves when an agency manages the project to completion. More than once city commented that the efficiency of project completion after approval turns more on the skills and management of staff, which are often unrelated to the form of governance chosen. (Comments from San Francisco, San Diego, Portland, Detroit, and Denver)

b. Advantages of City Council Governance

1. Avoiding Differences in Policy Direction

Some cities where City Council sits as the redevelopment board say that this structure avoids the possibility that an independent board might differ with a desired policy direction set by the Council. Clearly, some changes in governance (such as Pasadena and Las Vegas) have been caused by a policy difference between the two bodies, and the adoption of City Council governance appears to have ended that tension. Some cities that have had Council governance for a long period of time report that they would not consider an independent board because of the potential for such policy differences. At the same time, because redevelopment agencies incur debt that must be paid off over a long period of time, some cities question whether some tension between those advocating for the immediate needs of the city and others charged with its long term development might not be healthy. Several larger cities commented that developing a collaborative decision-making relationship was more important to their success than the form of governance used. (Comments by San Francisco, Oakland, Stockton, Huntington Beach, Modesto, Nashville, and Portland)

2. Simpler Government Structure

Cities that use a City Council as the redevelopment agency board often cite the fact that it seems redundant to have two separate decision making boards. Some cities use the planning commission to perform project review prior to council action, while others use an advisory redevelopment review body. Some cities stated that consolidation of the governing body is a logical extension of shared staffing structures. One side benefit is that a City Council governance structure is easier to explain to the public, and for the public to understand. (Comments of San Jose, Oakland, Riverside, and Huntington Beach)

3. More Direct Accountability

Many cities that use City Council governance feel that City Council can be more directly accountable to the citizens when only a single decision-making body is involved. When citizens express desires, they do not care how the different departments and agencies of the government are structured, they simply want their government to respond. Since City Council members are going to share the blame for projects that fail, many feel that they should be the ones to make the project decisions for which they will be held accountable. (Comments of Fresno, Riverside, Fremont, and Huntington Beach)

4. Simpler Public Involvement

While larger cities sometimes use Project Area Committees (PACs) made up of area citizens as a conduit for public outreach, City Council generally uses a broad range of techniques based on existing neighborhood organizations and constituent networks. Some cities with City Council governance structures feel that there is no need for a separate set of citizen outreach conduits when the topic is redevelopment. While redevelopment agencies sometimes feel that PACs develop a deeper understanding of how to use redevelopment tools, others feel that this specialized knowledge distances them from the more widely shared concerns of the community. (Comments of San Diego and San Jose)

5. Efficiency (?)

As noted above, users of City Council governance, independent board governance, and CDCs (as well as hybrid forms) <u>all</u> cite efficiency as the reason for the choice – particularly efficiency in the project approval stage. This is not surprising, since few cities would deliberately choose a system they felt to be inefficient. Some cities volunteered that the efficiencies may be more apparent in smaller cities where the volume of redevelopment projects is not high and city staff is adequate to handle the workload. In theory, City Council governance should lead to close coordination among all agencies subject to their authority. Again, however, several commented that the speed of project completion after approval may be better correlated to the internal management and skills of staff than to the form of governance. (Comments from San Diego, Fresno, Fremont, and Huntington Beach)

c. Advantages of Community Development Commission

A community development commission integrates housing and redevelopment activities. Since it can be governed by either City Council or an independent board, it would share the advantages associated with whichever governance structure is chosen (as listed above). Other advantages are based on administration, as listed below.

1. Coordination of Redevelopment and Housing Activities

Since both redevelopment and housing authorities are often involved in housing development, a single structure can result in better coordination between the two agencies. At the same time, this structure may make it more difficult to pursue the sorts of quick-response economic development activities that a single-purpose redevelopment entity can perform. In addition, this structure may make it slower or more difficult to enter into public-private partnerships because the governing body's ability to focus on redevelopment may be diluted by its duties as a housing agency.

2. Staff and Resource Sharing

The creation of a Community Development Commission often results in increased efforts to share staff with similar job duties (particularly in housing and in project management), which can lower costs. Again, however, most savings associated with shared staffing can be achieved regardless of the governance structures chosen.

d. Advantages of Non-Profit Corporation Structure

As mentioned above, one alternative not under current discussion in Long Beach is the creation of a non-profit Community Development Corporation to carry out redevelopment activities. Since it operates outside the city staffing structure, and often has a board of directors reflecting real estate, finance, or development expertise, it can share many of the advantages of an independent board structure. However, if the Mayor or City Manager often serves as the Chair of the board, its activities may be more closely controlled and aligned with Council priorities (as in a City Council governance structure). In addition to sharing some of the characteristic advantages of each of the more "traditional" models, it may also achieve the following.

1. A Perception of Business-Orientation

Since many private developers and investors are more used to dealing with a corporate structure, and since the CDC is one step removed from the traditional city structure, some cities find that businesses prefer to deal with a non-profit CDC. However, some independent boards feel that they achieve the same business-orientation without the use of a separate corporate structure. (Comments of San Diego and Detroit)

2. Efficiency (?)

It seems that the larger the city, the more difficult it is to get redevelopment projects approved and through to completion. Several large cities report that Community Development Corporations can get projects through to completion significantly faster than city-managed projects. (Comments of San Diego, Portland, and Detroit)

4. Relationship to the Independent Study

The above discussion makes clear that there are not just two models of governance in use, but many different models. Many of the larger cities in California (and nationally) have hand-crafted their governance and administrative structures over time in order to suit their unique needs. Perhaps the strongest evidence of this "tailoring" of available options is that most of the structures in large cities are materially different from each other, but the vast majority of cities

contacted said that they were happy with the structure they had chosen. Although we were able to identify several cities that had changed their structures over the last 25 years, those changes appear to fall into two categories.

- Some cities completed <u>rapid and dramatic changes</u> in governance following a very unpopular project decision by the governing body (such as Bakersfield, Pasadena, and Las Vegas); and
- Others completed -- or are in the process of completing -- more <u>incremental changes</u> following an inquiry into the advantages and disadvantages of various options (such as San Jose, Chula Vista, and Fresno).

As noted above, the Clarion Team's scope of work for the Independent Study includes a more detailed analysis of this issue in Task 2 (measuring performance in Long Beach) and Task 3 (comparing Long Beach to other experience). More specifically, in Task 2 we will examine where the performance of the LBRA is falling short, and plan to evaluate whether the present governance structure is causing or compounding those problems. In Task 3, we will explore whether those cities with stronger redevelopment performance in key areas use different governance structures, and whether those structures are a contributing factor in better performance. If the city's governance structure is found to be related to its redevelopment strengths or weaknesses, we plan to address those issues in Task 4 (recommendations for improvement to redevelopment).

We hope that this material will assist the City Council in its deliberations.